



December 3, 2007

**By Electronic Mail**

Ms. Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, N.W.  
Washington, DC 20551

Reference: Prohibition on Funding of Unlawful Internet Gambling  
Docket No. R-1298

Dear Ms. Johnson:

**I. Background**

The Western Payments Alliance<sup>1</sup> ("WesPay") appreciates the opportunity to provide a response to the Notice of Joint Proposed Rulemaking regarding the prohibition on funding of unlawful Internet gambling (the "Proposed Rule") issued by the Federal Reserve Board and the Department of Treasury (collectively the "Agencies").

**II. Summary of WesPay Positions and Recommendations**

A. WesPay fully supports the NACHA comments, submitted by Ms Carrie Lee, Staff Attorney. We suggest that Federal Reserve Board and Department of Treasury representatives contact Ms Lee at (703)561-3975 to answer or clarify any point in the NACHA response.

B. State Law Complexity - Legal versus Illegal activities

Under E. Reasonably Designate Policies and Procedures, 6. List of unlawful Internet Gambling businesses, the Board requests comment on a suggestion for a list of businesses known to be engaged in the business of unlawful Internet gambling. We believe that the financial institutions that have such customers will respond to this question, however we think the Board and other

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<sup>1</sup> The Western Payments Alliance ("WesPay") is a not-for-profit financial institution trade association providing electronic fund transfer services to 950 financial institutions and 100 corporate members in California, Hawaii, Idaho, Nevada, Oregon, Utah, Southern counties of Washington, Guam and other Pacific territories. WesPay consults with its members on the application and interpretation of Automated Clearing House (ACH) operating Rules and provides a variety of workshops and seminars designed to increase member knowledge on ACH and other payment systems processes, enhance rule compliance and mitigate risk. WesPay is a Charter member of NACHA.

agencies could help the financial community understand the various state laws that may or may not apply. As noted in the Assessment of Potential Benefits and Costs, the Act does not alter State, local or tribal gaming law. So it places a significant burden on the financial community to sift through all the complexities of state and other laws to determine what might be legal or illegal practice by a business.

We suggest that the agencies consider developing a central repository of the various state, local and tribal laws to assist those financial institutions with that determination. You may wish to work with the Association of State Attorney Generals in this regard. WesPay has encountered a similar issue with the complex laws related to Internet sales of tobacco to minors and sales of tobacco generally.

### **III. Conclusion**

WesPay expresses its appreciation for the opportunity to comment on this important proposal. We believe that national regulatory and legal uniformity is essential to protect consumers from abuses, yet allow legitimate uses of the Internet for commerce to be supported by the financial community.

Sincerely,

*Signed Peter Yeatrakas*

Peter Yeatrakas  
President and CEO  
Western Payments Alliance